SECTION 3 Startup Talent Competition (13-Oct-10)



Startup Talent Competition

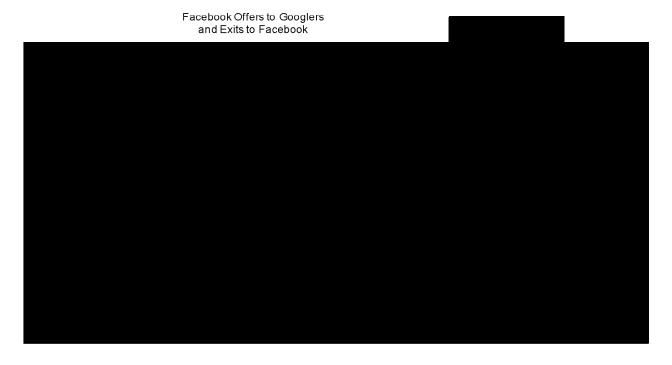
Authors: Katie Temple and Krystal Cope Contributors: Linda Veenker and Natalie Johnson

OVERVIEW
In 2010 to date, of technical employees who reported leaving Google for another company went to a startup organization. Of these employees, the highest percentage went to Facebook.
Our research indicates that Google continues to be one of the top organizations targeted by Facebook recruiting efforts. We estimate of new Facebook employees in 2010 were recruited from Google.

We also launched a number of initiatives in late Q3 to support talent retention, including counteroffer training for our Engineering executives, more systematic Facebook exit interviews, a talent recovery pilot and research to anticipate which Google employees will be targeted by Facebook.

FAGERGIOK FORTOASI

At the LDCC's request, in April we created a 2-year forecast of the number of offers Facebook would make to Googlers. Due to the recent escalation of actual Facebook offers made to Googlers, we have updated our forecast and shortened the forecast period to four quarters only (see Attachment A for previous quarter's forecast). We also created a 4-quarter forecast of the number of exits to Facebook, based on our current counteroffer philosophy and a continued win rate of

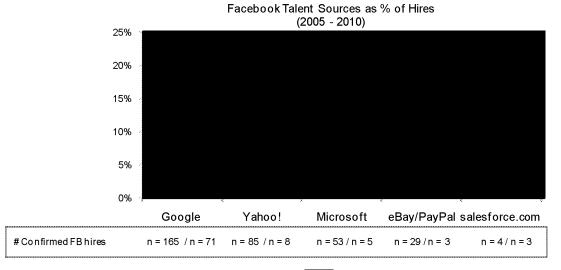


RECRUITING LANDSCAPE

Facebook Recruiting from Google

In 2010 to date, of technical employees who reported leaving Google for another company went to a startup organization. Facebook accounted for the highest proportion of these exits

Since 2005, we estimate of Facebook employees were recruited directly from Google. In 2010, we believe were recruited directly from Google. The table below shows the top five sources of Facebook hires according to our analysis¹.

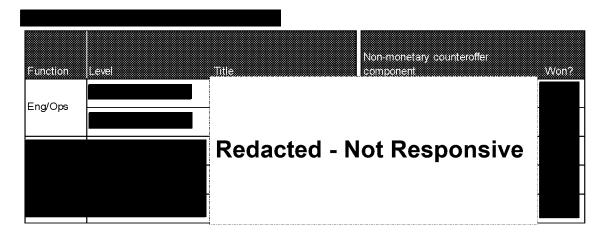


Based on our analysis, Facebook likely contacted about of Googlers to yield the hires from Google in 2010 to date. Making reasonable assumptions about Facebook's future recruiting capacity and Google's headcount growth,

EARGERON COUNTEROBERS



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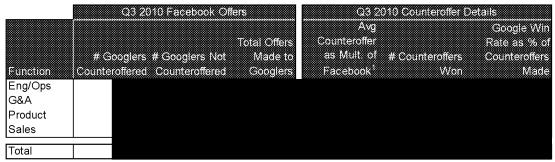
Additional counteroffer details are provided in the tables below:

Attrition to Facebook - Counteroffer Update

Date	Facebook Googler Re- Offer to Google Made Google Won hired from % of Counteroffers Googler Counteroffer Counteroffer Facebook ¹ Made
Q2 2007	
Q3 2007	
Q4 2007	
Q1 2008	
Q2 2008	
Q3 2008	
Q4 2008	
Q1 2009	
Q2 2009	
Q3 2009	
Q4 2009	
Q1 2010	
Q2 2010	
Q3 2010	
Total Number	
% of Total Facebook Offers	

Note: data as of 01-Oct-10

¹⁾ Rehires categorized based on date of original resignation (as opposed to date of rehire)



^{**}Data unavailable due to low n-count of disclosed Facebook equity offers

Facebook Head-to-Head Candidate Update

Additional offer details are provided in the table below:

Facebook Head-to-Head Candidate Update

Date Q2 2007 Q3 2007 Q4 2007 Q1 2008 Q2 2008 Q3 2008 Q4 2008 Q1 2009 Q2 2009 Q3 2009 Q4 2009 Q1 2010		Google Won Candidate	Google Win Rate as % Candidates
· ·			
Q2 2010 Q3 2010			
Total Number	·		

Note: data as of 01-Oct-10

Updated as of 01-Oct-10

¹⁾ Reflects equity awards only; Facebook's base salary and bonus levels are generally similar to Google levels.

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FUTURE STRATEGY

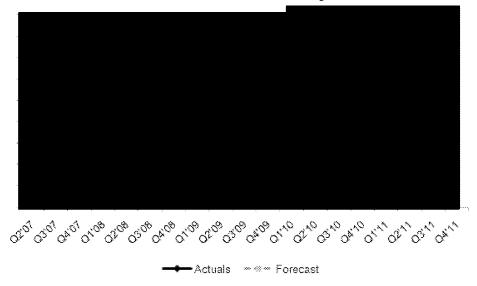
To support talent retention and recovery against startups, we launched a number of new initiatives in late Q3, including:



ATTACHMENTA

Facebook Forecast as presented to the LDCC on July 14, 2010

of Known Facebook Offers to Googlers





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